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ABSTRACT

The number of poor children in the United States is high, and estimates suggest that poverty among Indiana's children is increasing at twice the national rate. Presently, Indiana does not have readily available, comprehensive information about the state's children and adolescents. There are few ways to link Indiana's poverty data to other important and related information about health, teen pregnancy, infant mortality, corrections, fires and accidents, and other indicators of the well-being of Indiana's youngest citizens. This report documents the extent of poverty among children and adolescents in Indiana. Topics discussed include: (1) the problem of locating information about Indiana's poor children; (2) poverty among Americans and among Hoosiers; (3) indicators related to poverty; (4) hunger and homelessness in Indiana; and (5) the effect of poverty on children's health. Based on reports by the Center on Budget and Policy Priorities and the Children's Defense Fund, the report examines how well the state of Indiana has met certain standards or goals that impact poor children. These standards and goals address welfare benefits, Medicaid benefits, prenatal care, infant mortality, low birthweight, teen parenthood, housing affordability, youth unemployment, nutritional assistance, and support for early childhood education. (SM)

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Compromised Futures: Indiana's Children in Poverty

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Compromised Futures: Indiana's Children in Poverty

April 1991

Occasional Paper No. 2

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A Publication of the Indiana Youth Institute*

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Compromised Futures: Indiana's Children in Poverty

Introduction

The numbers of poor children in the United States are high. In fact, a disproportionate number of those who are poor are children. The younger the child, the greater the probability that he or she lives below the poverty line. These are inescapable facts in Indiana as well, where some estimates suggest that poverty among children is increasing at twice the national rate.[1]

Locating Information about Indiana's Poor Children

At the present time, Indiana does not have readily available, comprehensive information about the state's children and adolescents. Seven primary state agencies provide services to children, adolescents, and their families. A recent study by the National Conference of State Legislatures found Indiana's service system to be the most fragmented in the nation.[2] At present, each agency does independent data-gathering and reports figures in ways that best suit its own mission, but do not necessarily integrate easily with other agencies' data. Thus, it is difficult to obtain full information on the multiplicity or impact of services. As a consequence, Indiana is facing an era of increasingly scarce resources without the information that it needs for sound and cost-effective planning. In June 1990, the report that followed the Evaluation Audit of the Legislative Services Agency stated:

> Lack of coordinated planning is further aggravated by the absence of consistent, reliable, and system-wide data on children. This dearth of information seriously compromises the effectiveness of the planning, research, and evaluation processes in programming for delivery of effective services for children. As no central data base exists, these efforts lack accurate figures and good statistics for these children...In addition to lack of data, a problem also exists among the different agencies with sharing data that does exist.[3]

Thus, when we attempt to understand poverty, we find that there are few ways to link Indiana poverty data to other important and related information about health, teen pregnancy, infant mortality, corrections, fires and accidents, and other indicators of the well-being of Indiana's youngest citizens.

The information that follows has been gathered from, and checked with, a broad variety of sources. We found individuals in state government unfailingly helpful, and universally wishing their data were better. We thank them for their assistance and their patience. We also wholeheartedly support administrative and legislative efforts underway in Indiana that will lead to a more unified and useful data collection system.

How Many Americans Are Poor?[4]

While we do not have detailed information about poverty in Indiana, there are recent data for the nation as a whole. Since 1959, the most widely used definition of poverty in the United States has been the official government poverty level, adjusted annually by the U.S. Office of Management and Budget. Poverty levels are a set of money income thresholds that vary by family size and composition. The annual adjustments reflect changes in the Consumer Price Index, but do not take into account geographical differences in cost of living. For example, the average threshold for a family of four rose from $11,203 in 1986 to $12,675 in 1989. In 1989, the latest year for which poverty data are

available, the average poverty thresholds varied from $6,311 for a person living alone to $25,480 for a family of nine or more members. In 1991, the federal poverty level was raised to $11,140 for a family of three, and $13,400 for a family of four.

Historical comparisons show a dramatic decline in poverty among U.S. families in the 1960s. In 1959, the overall U.S. poverty rate was 22.4%; by 1969, it was 12.1%. Between 1970 and 1977, the poverty rate fluctuated between 11.1% and 12.6%, before it began to rise to the most recent high point of 15.2% in 1983. Between 1984 and 1988, the poverty rate declined slowly to 13.0% in 1988. The 1989 poverty rate of 12.8% does not differ at a level of statistical significance from that of 1988.

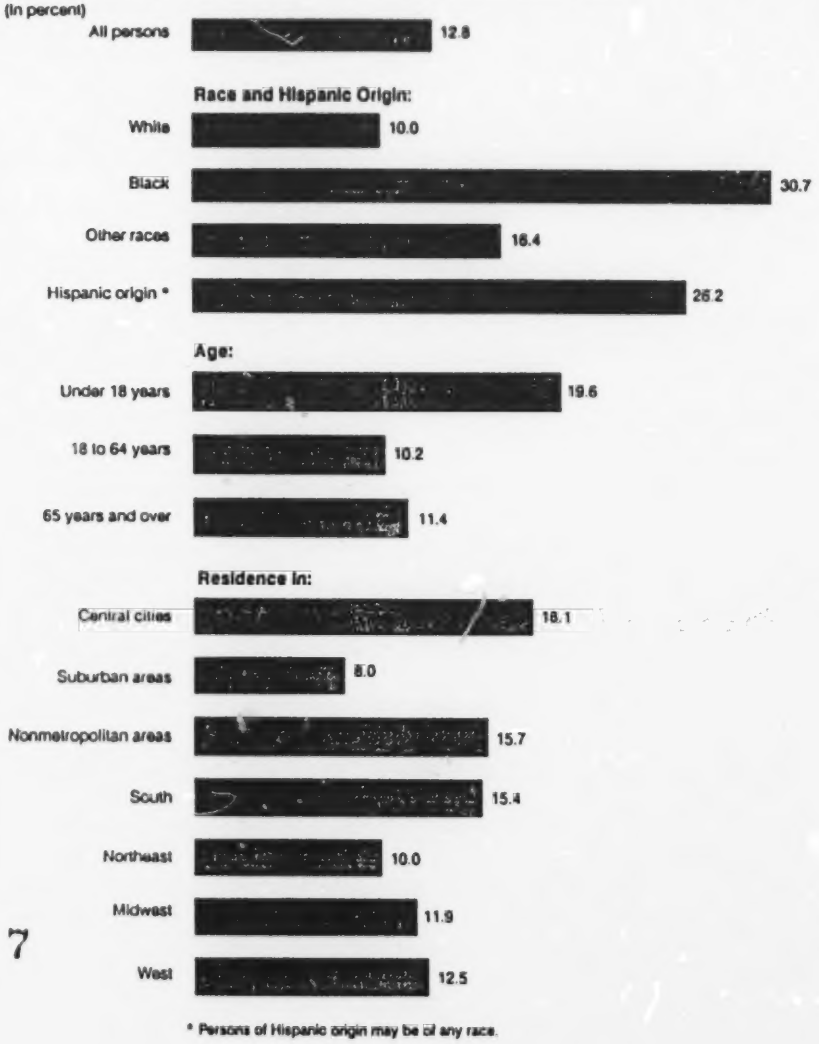
Poverty is not distributed evenly among Americans and their families. Ethnicity, age, and area of residence create wide variation among the poverty rates for individuals (see Figure 1). Family type, and the age, education, and work experience of the householder also lead to large fluctuations in family poverty rates (see Figure 2).

Particularly poignant is the fact that since 1975, the poverty rate for children and adolescents has remained higher than for any other age group in the nation. There are now nearly four times as many poor children as there are poor elderly, aged 65 and over. Children represent 39.9% of poor Americans, the elderly 10.7%. In 1989, one in five (19.6%) young people under the age of 18 was poor. The younger the child, the worse the poverty rate. Nearly one in four (23.5%) children under the age of 3 was poor. Among children aged 3 and older, the figures were as follows: 21.6%, ages 3-5; 19.8%, ages 6-11; 16.1%, ages 12-17. About 14.2% of all white children under 18 lived in poverty in 1989. During the same year, 43.7% of African American children and 36.2% of children of Hispanic origin were poor.

Figure 1.

Poverty Rates for Persons With Selected Characteristics: 1989

(In percent)

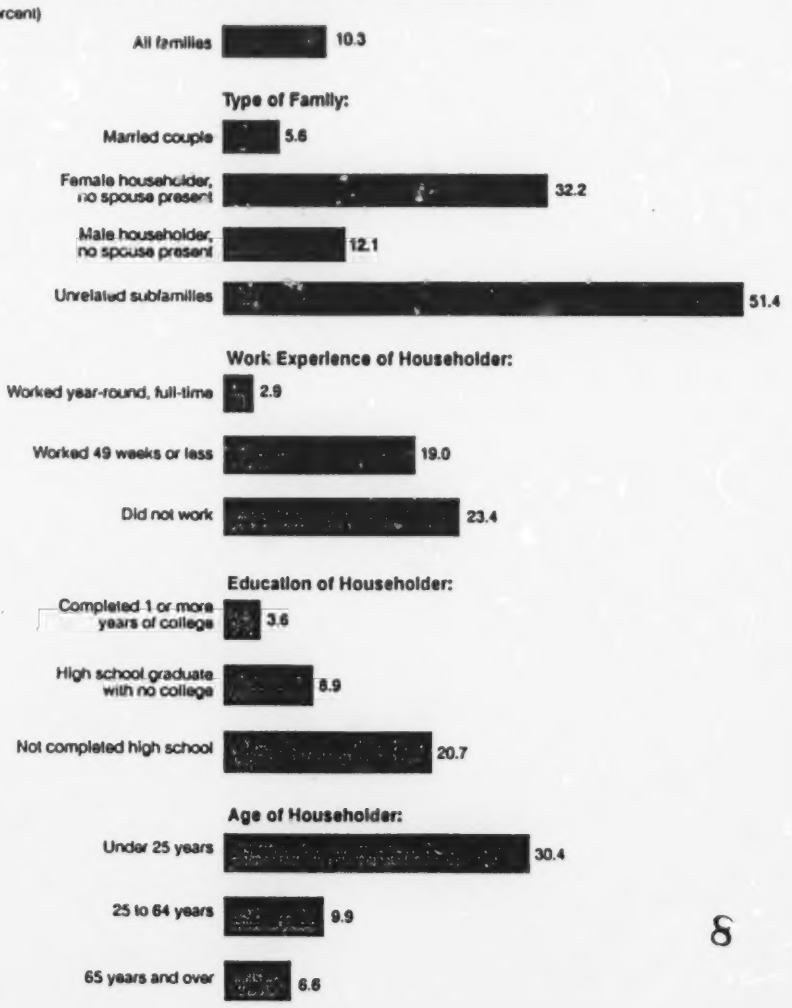


* Persons of Hispanic origin may be of any race.

Figure 2.

Poverty Rates for Families With Selected Characteristics: 1989

(In percent)



These same differences exist in *median family income* for the three ethnic groups. While the median income for ail families was $34,210, white families had a median income of $35,980; African American families, a median income of $20,210; and families of Hispanic origin, a median income of $23,450. Another major factor leading to differences in family income is family type. Table 1 shows the inter-relationship of ethnicity, family type, and poverty rates in families with children under the age of 18.

Table 1. Persons and Families Below Poverty Level, by Detailed Race, 1989

Characteristic	Total	Below poverty level	
		Number	Percent
PERSONS			
White	206,853	20,788	10.0
Related children under 18 years	50,704	7,164	14.1
Black	30,332	9,305	30.7
Related children under 18 years	9,847	4,257	43.2
Other races	8,807	1,441	16.4
Related children under 18 years	2,674	580	21.7
Asian or Pacific Islander	6,673	939	14.1
Related children under 18 years	1,945	368	18.9
Hispanic origin[1]	20,746	5,430	26.2
Related children under 18 years	7,040	2,496	35.5
FAMILIES			
White	56,590	4,409	7.8
Married-couple	46,981	2,329	5.0
Female householder, no spouse present	7,306	1,858	25.4
Black	7,470	2,077	27.8
Married-couple	3,750	443	11.8
Female householder, no spouse present	3,275	1,524	46.5
Other races	2,030	297	14.6
Married-couple	1,586	160	10.1
Female householder, no spouse present	309	122	39.6
Asian or Pacific Islander	1,531	182	11.9
Married-couple	1,256	119	9.4
Female householder, no spouse present	188	57	30.2
Hispanic origin[1]	4,840	1,133	23.4
Married-couple	3,395	549	16.2
Female householder, no spouse present	1,116	530	47.5

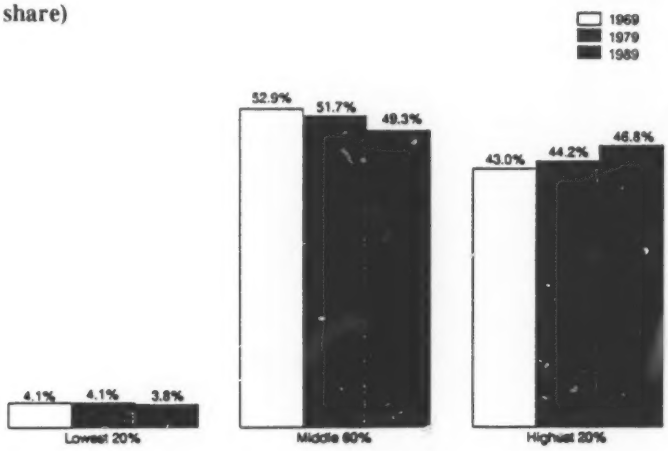
*Statistically significant change at the 90-percent confidence level.
[1]Persons of Hispanic origin may be of any race.

One of the myths undermining the national will to ameliorate the impact of family poverty, is the view that people are poor because they choose not to work. The statistics show otherwise. Nearly six in 10 (59.2%) poor families contained at least one person who worked; two in 10 poor families had two or more workers. Of the married-couple families where there was no one working, 36.4% gave retirement as the reason, and 36.5% cited illness or disability. Among *all* poor family householders, 16.2% worked full-time, year round. Among poor families *headed by married couples*, 24.4% had at least one worker who worked full-time, year round. In *female-headed households* (with no spouse present), 41.6% worked during the year, and 8.8% worked full-time, year round. The wage differential between men and women also has an impact on poverty status, particularly where the sole wage-earner is female. In spite of gains made by women in recent years, their earnings are still only 68% of men's earnings.

Americans like to think of themselves as a "classless society," where everyone has an equal opportunity to reach financial security. However, when the incomes for all American households are aggregated, one sees enormous inequities (see Figure 3). The 20% (quintile) of households

Figure 3. Share of Aggregate Household Income, by Quintile: 1969, 1979, and 1989

(Percent share)



with the nation's lowest incomes received only 3.8% of the aggregate. The wealthiest 20% of U.S. households received 46.8% of the aggregate--more than double their "fair share." Since 1969, the top quintile of households has received a growing proportion of aggregate household income, at the expense of the remaining 80% of U.S. households.

Throughout this report, we shall use the federal poverty level as the definition of poverty. Most of the figures cited will be for a family of three--the modal size of families receiving public assistance. Where other data are compared to the poverty level, thresholds *for that year* will be used.

How Many Hoosiers Are Poor?

Because information on poverty in Indiana, particularly among the state's children, is difficult to acquire, we must report information from several sources. The figures may differ by one or two percentage points, depending upon how, and from which base the data were taken. Regardless of source, however, patterns emerge showing that:

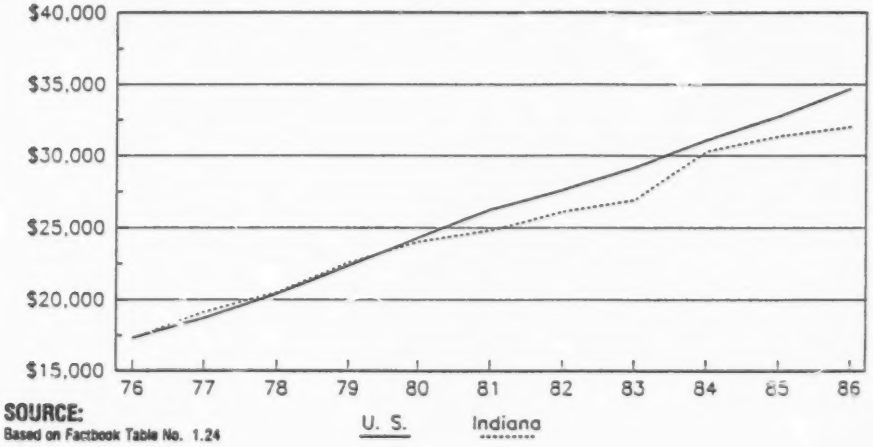
- poverty rates in Indiana are slightly lower than for the nation as a whole;
- poverty is increasing among Indiana families with children;
- the median income in Indiana households is falling behind that of the nation;
- the *rate of increase* in poverty in Indiana is out-pacing that of the nation;
- poverty in rural areas is a problem about which we do not have enough information; and
- the demand for services for poor Hoosier children and families is far greater than the current system can meet.

The most recent poverty statistics were developed by the Indiana State Board of Health. Extrapolated from several sources, theirs is a

conservative estimate of individuals and households with incomes below 100% of the poverty threshold established by the federal government. They estimate that 9.3% of the population (520,740 individuals) and 6.3% of the households (130,185) of Indiana have incomes that fall below the poverty level. Poverty data linked to household type, ethnicity, and age are not yet available for Indiana, but in other years, the *patterns* in the relationship of poverty to other variables have been fairly similar to those of the nation.

Until 1979, the median income for Indiana families of four persons stayed even with or slightly exceeded that of all American families. In mid-1979, Indiana family median income began to lag behind that of the nation (see Figure 4). In the past decade, the gap has continued to widen. The median income of all U.S. four-person families was $40,744 in 1989. Income breakdowns by size of household in 1989 are not yet available for Indiana.

Figure 4. Median Income of Families with 4 Persons, 1976-1986[5]



SOURCE:
Based on Factbook Table No. 1.24

The median figure is a mid-point. The incomes of half of all families fall above and half below the median. For many families, income is far below the median, leaving them with extremely limited options for necessities, and essentially none for the niceties of living. In 1990, the Community Service Council of Central Indiana prepared a bare-bones budget of $15,660 for a family of three (an adult and two children), "trying to

maintain a decent, safe, lower-middle class lifestyle" in this area (see Table 2). This budget of $15,660 includes nothing for any form of entertainment, eating out, gifts, or anything "frivolous." Further, the budget assumes the availability of low-cost housing, that the family has all furnishings and linens needed, that there is no serious illness, and that their car is fairly dependable. The wage-earner for the family would have to work 52 weeks a year, earning more than $7.50 per hour, to reach even this income. Working the same number of hours, a minimum-wage worker receiving $4.25 per hour would earn only $8,840, far short of this minimal estimate of need. The report further notes notes that "Low wage, non-benefit employment not only mires families in poverty but, for some of the poor, may serve as a disincentive toward abandoning public assistance."[6]

Table 2.

ANNUAL BUDGET FAMILY OF THREE IN INDIANAPOLIS		
CATEGORY	COST	DESCRIPTION
Rent	$ 4,000	$325 a month - 2 bdrm
Utilities	$ 1,080	$90 - gas & electric
Food	$ 2,600	$50 per week
Clothing	$ 380	Used & Discounted
Auto Insurance	$ 300	For used, older car
Auto Repair	$ 250	
Gasoline	$ 520	Mostly job-related cost
Taxes	$ 250	Fed, State, County
Doctor	$ 120	4 visits
Medicine	$ 40	
Telephone	$ 300	$25 a month
Personal Care	$ 60	Shampoo, soap, etc.
Household supp.	$ 60	
Laundry	$ 260	$5 a wk @ laundromat
Childcare	$ 3,640	$70 wk infant/child care
Health Insurance	$ 1,800	$150 a mo.-private cov.
TOTAL	$15,660	BASIC BUDGET REQUIRED FOR DECENT LIFESTYLE

Source: Community Service Council of Central Indiana, 1990

Indicators Related to Poverty

The causes and consequences of poverty are often a tangled web of factors. Some, like layoffs and temporary unemployment, are fairly straightforward. Other factors are more complex. For example, a poor teenager may not receive the prenatal care and nutrition needed to ensure a healthy infant. She may thus deliver a low-birth-weight infant, who struggles into the world already behind healthy contemporaries. Without nutritional intervention, the child may be prone to further developmental delays and possibly learning problems. These difficulties may be further exacerbated by an immature mother's inability to provide the developmental supports needed for normal progress. Such a child is also likely to tax the educational system, and even if he or she receives remediation, may still enter the world of work prepared to do little more than repeat the cycle of poverty.

The following statistics illustrate conditions that underlie or relate to poverty in Indiana. These indicators either have an obvious relationship to poverty, or in studies done elsewhere, they have been related to low income.

Unemployment. Annualized figures for 1990 found Indiana with a labor force of 2,832,000 individuals. Of these, 5.3% (150,000) were unemployed. This rate is just a fraction below the 5.5% unemployment rate for the entire United States. Both rates are the same as they were in 1988. Unemployment rates vary by county, from a low of 2.7% in Hendricks, Boone, and Hamilton to highs of 10% in Randolph and 12% in Fayette Counties. Indiana's economy is undergoing profound change, from the industrial/manufacturing base that persisted up through the 1970s to the service-based economy of today. Between 1980 and 1988, Indiana lost 17,400 manufacturing jobs. Although 142,600 service-industry jobs were added, many lacked the higher pay and stability once found in manufacturing. Higher-paying service-sector jobs require more education and technical skills.[7]

Unemployment compensation does not replace a sufficient proportion of the family income to meet basic needs. In 1988, Indiana's average benefits

equalled only 27.6% of the average weekly wages of the unemployed. Many Hoosiers, employed only intermittently and at low wages, do not qualify for unemployment benefits at all.

Minimum Wage Level. In 1964, a worker could be employed full-time (2,000 hours annually) at an hourly wage of $1.25 and earn an income that was 103.6% of the federal poverty level. When the minimum hourly wage rose to $1.60 in 1969, full-time work brought an income of 109.4% of the poverty level. The $2.90 minimum wage of 1979 still could keep a family just above the poverty level (100.3%). In the decade that followed, however, full-time minimum wage earnings as a percent of poverty fell steadily until 1989, when they were just two-thirds of the poverty level (66.6%). Increases in 1990 and 1991 have brought full-time minimum-wage earnings up to just over three-fourths of the poverty level (76.3%).

The increase in the minimum wage was a compromise that came at the expense of young people under the age of 20, some of whom are heads of families. These individuals may be paid a "training wage" equal to 85% of the minimum wage for 90 days (extendable to 180 days under certain circumstances).

High School Dropout rates. Too many students fail to complete high school, and of those who do, too many cannot meet the skill requirements of stable entry-level jobs. Indiana has made progress in improving the state's high school graduation rates. Nearly eight in ten (78.0%) ninth-graders completed high school in four years in the 1989-90 school year (up from 75.3% in 1988-89 and 73.7% in 1987--and considerably above the national average of 69.7% for 1988).[8] Although data for Indiana are not available, nationally, one in four who does not graduate in four years does continue on or earn a Graduate Equivalent Diploma (GED).

Indiana reports annual dropout rates for grades 7 to 12. For the 1988-89 school year, the state's dropout rate was 4.82 per 100 students. Again, the figures fluctuate by county. For DuBois County, the rate was 1.87, while for Marion County, it was 6.7, and for Vanderburgh County, 7.36. For the state as a whole, 6.7% of the 20,898 students who dropped out in 1988-89 did so before Grade 9, the starting point for calculating the high school completion rates presented above.[9] Thus, the annual graduation rate may actually be overly optimistic.

National data show that the education level of the householder has a major impact on household income, and on poverty (Figure 3). Only 3.6% of families with heads who had completed one or more years of college were poor, while 20.7% of those in which the head had not completed high school were poor. The figures for female-headed households (no spouse present) with children under the age of 18 are particularly discouraging: 20.1% poor, even with one or more years of college, but 59.1% poor among those who did not complete high school. Among African American mothers aged 18-24, the figures are 24.6% and 74.0%, respectively.[10]

An examination of the median income (national data) of 30-year-old high school and college graduates in 1973 and 1986 found the income gap widening. Using constant dollars, college graduates' median incomes exceeded those of high school graduates by 15.7% in 1973, while in 1986, the difference was 49.6%. In 1989, male college graduates over the age of 25 earned 60% more than high school graduates.[11]

The Poor Pay Taxes.[12] Indiana relies on the *state income tax* for just under 30% of its annual state budget--about average for the nation as a whole. However, Indiana is one of very few states without a graduated state income tax. Hoosiers pay state taxes at a flat rate of 3.4% of earned income in excess of $4,000. In addition, residents of all but five Indiana counties pay *county income taxes* at rates that range from 0.25% to 1%, on income in excess of $4,000. Thus, a two-parent family of four would begin to owe taxes when income reached $4000--a figure that is about 30% of the poverty level. The same family would not begin to pay *federal* income taxes until income rose to well above the poverty line. An Indiana family of four with an annual income of only $4000 (after allowable deductions) in 1990 could be responsible for up to $176 in state and county taxes.

All Hoosiers pay a *state sales tax* of 5% on goods and services, including utilities, but not food. Just under half the state's annual revenue is raised through the sales tax (compared to an average for the nation as a whole of just under one-third). Even with food exempted, the sales tax places a disproportionate burden on the budgets of low-income people. Several states provide a credit, either in the form of income tax reduction or a

rebate on sales taxes paid by low income families. Indiana offers neither tax reductions nor rebates.

Local property taxes also place a disproportionate burden on the poor. In Indiana, low-income families pay property taxes at the same *rate* as their more affluent neighbors. More than 30 states have "circuit-breaker programs" that provide property tax relief for the poor. Property taxes are also paid by landlords who, in turn, pass them on to tenants as part of the rent. Many of the states with circuit-breaker programs also take this into account by providing property tax rebates to low-income renters. In general, circuit-breaker programs provide reduced rebates as income rises. Indiana does not have a property tax circuit-breaker program; however, renters who pay in excess of $1,500 annually in rent may claim a deduction against taxable income in that amount. Taxpayers who are living in publicly subsidized housing, or students living in housing on public university campuses, cannot claim this deduction, regardless of total rent paid.

The Citizens for Tax Justice, a tax reform association, reports that when all state and local taxes are taken into account, Indiana ranks tenth among the 50 states in the taxes paid by the state's poorest citizens. Estimates for 1991 show that families of four in the lowest income quintile will spend 14.8% of their incomes on taxes. However, for families of four in the top quintile of incomes, taxes will consume only 6.5% of income. Table 3 shows how the tax burden is distributed among Indiana families of four in different income groups.[13]

Table 3. Indiana Taxes in 1991
As Share of Income for Families of Four

Family Income Group	Lowest 20%	Second 20%	Middle 20%	Fourth 20%	Top 20%		
					Next 15%	Next 4%	Top 1%
Average Income	$12,400	$26,200	$37,300	$50,500	$71,800	$145,200	$591,100
Personal Income Tax	2.5%	3.1%	3.3%	3.4%	3.5%	3.5%	3.4%
Corporate Income Tax	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.2%
Property Taxes	4.4%	2.6%	2.3%	2.2%	2.1%	2.0%	1.5%
Sales Taxes	6.0%	4.2%	3.5%	3.1%	2.6%	2.0%	1.3%
Excise Taxes	1.7%	1.0%	0.8%	0.7%	0.5%	0.3%	0.1%
TOTAL TAXES	14.8%	11.0%	9.9%	9.3%	8.7%	7.9%	6.5%
Federal Deduction Offset	0.0%	-0.1%	-0.2%	-0.6%	-1.4%	-1.5%	-1.3%
TOTAL AFTER OFFSET	14.8%	10.9%	9.7%	8.7%	7.3%	6.4%	5.3%

Source: Citizens for Tax Justice

Divorce. Unfortunately, Indiana does not keep statistics on divorces granted or custody arrangements decreed.[14] If present national trends among women in their 20s and 30s continue, it is estimated that about half will experience at least one divorce in their lifetimes (although about three-fourths of those will remarry after the first divorce). National studies of the economic impact of divorce have shown the departure of the male breadwinner (more than 90% of the cases) to be the fastest route to poverty for working- and middle-class women and their children. One study reported in 1976 that when a male left his family, his standard of living rose about 42%, while that of the family left behind fell by 73%. Current trends predict that between 40-50% of American children will spend part of their growing-up years in households with only one adult.[15]

In spite of increased efforts (Title IV-D) to help single custodial parents collect support from absent parents, child-support statistics continue to be abysmal, because of difficulty in establishing paternity, failure of courts to issue support orders, and laxity in collection efforts. Only about half the custodial parents are granted child support by the courts, and only one-fourth actually received the full child support ordered (1988 data).

Indiana is doing better than the national average in establishing paternity and collecting court-ordered child support. Although justice is clearly served by such support orders, there are other potential ramifications. For example, when support orders fall on teen fathers still in school, their unanticipated byproduct may be lowered educational attainment and consequent lifetime earning power.

Teen Pregnancy. As noted in the statistics reported earlier, single-parenthood is a major route to poverty. For young women who choose to bear children while still in their teens, the long-term educational and economic consequences are particularly severe. Nationally, among women in their twenties who had borne their first children under the age of 17, high school completion rates were only 56% in 1986 (up from 29% in 1975, and 19% in 1958). Among women in their twenties who had delayed motherhood until the ages of 20-24, 91% had graduated from high school in 1986 (up from 89% in 1975 and 81% in 1958). Although changes in public attitudes and special educational programs providing a range of supports for teen mothers have improved the school completion

rate enormously, a young woman who delays child-bearing until the age of 20 still has a 60% greater chance of completing high school.

More teens are becoming sexually active at young ages. Two national studies (1979 and 1988) of metropolitan males ages 17-19 provide comparable information. In 1988, 76% of this age group (all races) had ever had sex, compared to 66% in 1979. Two surveys of 19-year-old females found similar trends: in 1988, 81% reported that they had ever had sex, up from 69% in 1982. There is a relationship between age and the probability of becoming sexually active. Had the surveys of males been confined to 19-year-olds only (as were the surveys of females), the rates would have been as high or higher for males.[16]

Rates of pregnancy among Hoosier teens suggest that they are just as active sexually, and at the same ages, as their age-mates elsewhere in the United States. Preliminary data for 1988, the latest year for which information is available, show that there were 14,737 pregnancies among young women under the age of 20. Of these pregnancies, 325 occurred among children under the age of 15. The outcomes of teen pregnancies were as follows:

	Number	Percent
Fetal deaths (over 20 weeks gestation)	91	.6
Terminated pregnancies	3,214	21.8
Live Births	11,432	77.6
TOTAL	**14,737**	**100.0**

In 1988, young women under age 20 had 15.6% of all pregnancies in Indiana. They accounted for 14.0% of all live births, 14.5% of all fetal deaths, and 25.9% of all abortions. Of the 325 pregnancies among children under age 15, two (.6%) ended in fetal death, 135 (41.5%) were aborted, and 188 (57.8%) resulted in live births. Of the 14,412 pregnancies among 15- to 19-year-olds, 89 (.6%) resulted in fetal death, 3,079 (21.4%) were aborted, and 11,244 (78%) resulted in live births. In general, the younger the child at the time she conceives, the more likely she is to have an abortion.

Hunger in Indiana

In March 1991, the Food Research and Action Center released information from the Community Childhood Hunger Identification Project (CCHIP), the most comprehensive study yet undertaken of hunger in U.S. families with children under the age of 12. The study involved a random sample of 2,335 low-income (below 185% of poverty level) families from seven areas in the U.S. Respondents were asked eight questions related to hunger. If they replied in the affirmative to five, they were adjudged to have experienced hunger. The distressing conclusions contain no surprises, given the nation's rising poverty rates during the past decade. CCHIP studies

- estimated that 5.5 million U.S. children under the age of 12 (12.8%) are hungry; an additional 6 million children under the age of 12 (14.0%) are at risk of hunger;

- projected data for **Indiana** indicating that 12.0% of the state's children under the age of 12 are hungry; an additional 13.3% are at risk of hunger.[17]

Hunger is obviously a major barrier to healthy childhood development. Hunger has an impact on health and behavior, which, in turn, affect school attendance and progress.

When compared to non-hungry children, the CCHIP study found that those who are hungry are

- more than three times as likely to suffer from unwanted weight-loss;
- more than four times as likely to suffer from fatigue;
- almost three times as likely to suffer from irritability;
- more than 12 times as likely to report dizziness;
- more than twice as likely to have frequent headaches;
- almost twice as likely to have frequent ear infections;
- almost three times as likely to suffer from concentration problems; and
- almost twice as likely to have frequent colds.[18]

Several federal programs are designed to alleviate hunger among U.S. families. These include the Food Stamp Program, the Special Supplemental Food Program for Women, Infants and Children (WIC), the National School Lunch and School Breakfast Programs, the Summer Food Service Program for Children, and the Child and Adult Care Food Program.

The CCHIP surveys found that many families eligible for these benefits do not receive them, for varied reasons. Some families failed to apply because of their unfamiliarity with a program, their belief that they were ineligible or their fear of embarrassment. Others felt they no longer needed benefits, while still others were terminated when benefits ran out. Some additional findings of the CCHIP surveys include:

- On average, participants with gross incomes of less than 130% of the poverty level were receiving 52% of the maximum food stamp benefit. Only about 11% of the participating households were actually receiving the maximum food stamp benefit level. The average dollar value of food stamps per household was $182 per month.

- Of the families that were income and categorically eligible for WIC benefits, 55% were *not* receiving them. Of those eligible, but not receiving WIC benefits, 31% were hungry.

- Nationally, only half the schools that offer school lunch also offer school breakfast, although both programs are available to any school district wishing to participate. "Children who were receiving both school breakfast and school lunch were found to be significantly less likely to suffer from problems usually associated with low energy reserves (fatigue, irritability and inability to concentrate)...Children were less likely to have increased school absences if they got breakfast at school."[19]

In Indiana, 18.6% of children attending school for full days have been approved to receive free school lunches (eligibility requirements are the

same as for food stamps). A much smaller number qualify for reduced school lunch fees. Most Indiana school corporations that provide lunches do not offer school breakfast programs. The ratio of lunches to breakfasts served is more than fifteen to one. While only about one in four lunches served is provided free, three in four breakfasts are provided free. Although not intended to be a "poverty program," school breakfast is perceived as such by many. This perception, coupled with the complications in bus schedules that serving breakfast would engender, has led most school corporations to opt for the school lunch program only.[20]

We do not have Indiana poverty data for families with children under age 12 that are comparable to that of the CCHIP study. However, the Fiscal Year 1990 Annual Report of the Indiana Department of Public Welfare provides the following information:

- In Fiscal Year (FY) 1990, 111,449 households (including 315,741 individuals or 5.7% of Indiana's population) were certified to receive food stamps. Food stamps with a value of $213,908,520 were issued in FY90. (A crude estimate, based on these figures, suggests that the average dollar value of food stamps per household was $192 in Indiana.) The total value of food stamps issued in FY 1990 was 17.1% higher than in FY 1989. The value of food stamps issued in Indiana declined from a peak of $259.7 million in 1984 to a low of $182.7 million 1989.[21]

- In spite of increases in federal appropriations for WIC benefits, the program remains seriously under-funded. According to national studies, one dollar invested in WIC will save $3 in costs related to low birth weight and prematurity, either of which can result in developmental delays or disabilities. A nutritious diet for a small child costs $842 per year; however, special education for a child with a minor learning disability costs an average of $3,986 *per year.*[22]

Recent changes in the infant formula contract have enabled Indiana to enroll an estimated 62% of the program-eligible women, infants, and

children. In January 1991, WIC program benefits were received by 113,000 Hoosiers (including 88,400 children up to age five). This represents about 88% of the women and children enrolled in the program (meaning that about 55% of those eligible are actually receiving the food supplements). Current figures represent an encouraging improvement over those of 1988 when Indiana served only an estimated 41.6% of those who were program eligible. Indiana does not maintain waiting lists for the program. However, 19 WIC agencies recently had to make the reluctant decision to discontinue providing WIC benefits for post-partum women over the age of 18, who are not breast-feeding their infants.[23]

Homelessness in Indiana

Availability of Affordable Housing. The 1990 Evaluation Audit by the Indiana Legislative Services Agency concluded:

> The housing market in Indiana does not meet the needs (i.e., affordable, decent) of the low and moderate income population. Often, impoverished families cannot afford to pay the fair market rent and are forced to double or triple up with relatives, live in their automobiles or move to the streets. The fastest growing population among the homeless are families[.][24]

Subsidized housing is available to poor families; however, as rents have soared during the past decade, construction of low-cost housing through the auspices of the U.S. Department of Housing and Urban Development (HUD) stopped almost completely. The last two federal administrations have turned instead to the "Section 8" provisions of the Housing Act to furnish certificates and vouchers allowing poor families to seek out housing on their own. Under this program, low-income families must find housing that meets "Fair Market Rent" (FMR) standards. The family

may pay only a portion of the rent, with the government making up the difference. Unfortunately, there are simply not enough Section 8 approved housing units available. A study by HUD in 1987 found that 40% of the households that had been issued Section 8 certificates were unable to find housing before the certificates expired.

Indiana has a Section 8 program, but in 1989, there were only 30,409 approved Section 8 units in the entire state. Given that there are an estimated 130,185 Hoosier households with incomes below poverty level, there is tremendous competition for these units.[25] Waiting-list statistics are not kept at the state level, so information about the average wait for subsidized housing in Indiana is not available. National studies have found waiting lists of from one to five years.

Such circumstances force many poor families to try to find housing on the open market. "Fair market values" are calculated for metropolitan statistical areas and counties, providing some guide to what a family might be expected to pay for a unit of a given size and type. There is considerable variation from one place to another within the state. Looking at fair market rents for a two-bedroom unit (an appropriate size for a family of three, who receives a maximum of $320 in monthly AFDC benefits), one finds a range from $516 per month in the Gary-Hammond area, to $480 in the Indianapolis metro area, to $366 in Muncie. The housing-cost range is slightly lower in non-metropolitan areas. For example, the fair market rent for a two-bedroom apartment is $427 per month in Brown or Bartholomew County and $312 in Crawford or Dubois County. Rules-of-thumb used in helping families plan household budgets hold that no more than 40% of household income should be spent on housing. Such a guideline is totally unrealistic for most poor families. Wherever subsidized units are unavailable, Indiana's poor and their children are forced to settle for sub-standard units with barely operative heating and plumbing systems, unsafe wiring, and often increased danger of lead exposure, as well.[26] Even seriously sub-standard housing often costs more than the recommended 40% of income.

The American dream of home ownership is becoming increasingly impossible for families with moderate incomes. Many young families fall into this group. Local realtors report that even for mortgages of under $50,000, a 3% down payment is required, and the monthly principal, interest, and tax payment cannot exceed 29% of gross income. The household's fixed monthly obligations (including cost of housing and any other loan payments, child-support obligations, etc.) cannot exceed 41% of gross income.

Homelessness. As is true elsewhere in the nation, determining the number of individuals and families in Indiana who are actually homeless has proved to be difficult. The Indiana State Board of Health estimates that in 1990 there were between 10,000 and 30,000 individuals of all ages who were either homeless or marginally housed. This figure includes children and adolescents in families or on their own, with living arrangements that include staying on the streets or in abandoned buildings, living temporarily in shelters or with friends or relatives, and receiving temporary shelter as compensation for fee-for-service sex.

In 1990, on any given night in Indiana, there were 2,050 people seeking shelter. An additional 4,000 to 10,000 were without shelter. In 1987, Indiana had a total of 2,225 shelter beds for homeless individuals.

- Reasons for need of shelter presented by Indiana homeless were as follows(1989):

Family in Crisis	35%
Person in Crisis	34%
Poor	30%
Released from Facility	1%

- The age distribution of Indiana's homeless (1989) was:

Age 18 and Under	31%
Age 18-25	14%
Age 25-64	51%
Age 65+	4%

- 57% were male, 43% were female.
- 84% were white, 16% non-white.

National studies found that 11.4% of the homeless were pregnant. The rate of pregnancy among homeless women varied with their ages. Among 16- to 19-year-olds, the rate was approximately 25%; among those aged 20-24, it was above 20%. Not surprisingly, the lack of prenatal care and social support available to these women contributes to a high incidence of low birth-weight and mortality among their infants.

A 1985 survey of 26 U.S. cities showed a 33% increase in the number of families with children seeking shelter services, and the 1988 National Survey of Shelters for the Homeless found that 40% of the homeless using shelters were family groups that included children. The women in such families show a high incidence of mental illness and psychological distress; the most common diagnoses for children ages 0-14 were anemia, undernutrition, incomplete immunizations, skin disorders, pulmonary disease, and developmental delays.[27]

Compared with urban children who were not homeless, homeless children were

- more than 11 times as likely to have dental problems;
- more than one and one-half times as likely to have ear disorders;
- more than twice as likely to have eye disorders:
- more than three times as likely to have minor skin ailments;
- more than four times as likely to have gastrointestinal ailments; and
- nearly twice as likely to have minor upper respiratory infections.

Studies of adolescents entering shelters have found additional problems: physical and sexual abuse, high rates of depression and suicide attempts, sexually transmitted diseases (including HIV infection), abuse of and addictions to alcohol and/or drugs. If left untreated, many of these problems will worsen, and lead to death. If these children and youth survive to adulthood, the consequences of delayed mental health and medical treatment can undermine physical and mental well-being throughout their lives.

Homelessness poses many other barriers to healthy development for young people. The search for shelter makes homeless families highly mobile. Because homeless children are likely to experience developmental delays, many reach school age without the skills needed to begin formal education. If they enroll at all, however, they may not be in one school long enough to receive the assessment and remediation services that might enable them to catch up.

The 1990 Indiana legislature amended school-enrollment regulations to enable youngsters to remain in the school they attend at the time that upheavals occur in their families. The Commissioner of Education advised school principals that any student whose family moved *must* be allowed to remain enrolled until the end of the semester. With school corporation approval, the student may remain in the same school until the end of the school year. The Department of Education has encouraged school corporations to permit the latter option, hoping that permission to remain in the same school would provide a child with some stability. (Studies have shown that typically, homeless children experience four changes in residence annually.)

Poverty and Health

There are perhaps no areas in which the futures of poor children are more compromised than those of physical and mental health. A forthcoming discussion paper will consider child and adolescent health issues in Indiana in depth, so we report here only some of the harshest realities.

Low Birth-Weight. Low birth-weight babies are born more frequently to teens than to women over age 20. In 1986, 36 of the 198 infants born in Indiana to children under the age of 15 were low birth-weight. The rate of low birth-weight babies among this maternal age group is almost twice that for 15- to 17-year-olds, and nearly three times the rate for mothers over age 20. Low birth-weights are associated with poor nutrition and lack of prenatal care, as well as high-risk maternal behaviors, such as smoking, alcohol and other substance-abuse, that tend to occur at higher rates among poor teens.

In 1986, 6.39% of Indiana's infants weighed into the world at less than 2,500 grams (5 pounds, 8 ounces). Low birth-weight infants are at heightened risk of serious disability and/or death. While great strides have been made in keeping these tiny infants alive, progress in lowering the rate of low birth-weight has essentially stopped.

Infant Mortality. In 1986,[28] there were 888 infant deaths (at a rate of 11.2 per thousand live births), and 597 neonatal deaths (7.5/1000) among the 79,269 infants born live. Put another way, 1.1% of Indiana's babies were dead by their first birthday. Leading causes of death were congenital anomalies, respiratory conditions, immaturity, and sudden infant death syndrome (SIDS).

There are tremendous variations in infant mortality rates by ethnicity and geographic residence. The mortality rate among white infants in 1986 was 9.9 per 1,000, while for non-white infants it was more than twice as high: 21.9 per 1,000. Indianapolis, with a rate or 24.6 per 1,000, was in the unenviable position of leading the nation's major cities in non-white infant mortality. (The city's overall infant mortality rate of 14.3 was well above the national average of 10.4.) Since 1989, when news of the crisis broke, numerous efforts were set in motion to reduce the infant mortality rate. However, federal funding that would have provided further support for these programs has been denied, primarily because the city failed to make a commitment to ongoing fiscal support from local sources.

Child Abuse and Neglect. Fifty-two children died of abuse (22) or neglect (30) in Indiana in FY 1990--a 68% increase over deaths in FY 1989. In the same period, reports of abuse and neglect rose 27%. In FY 1990, reports of abuse and neglect involved 50,093 children in 34,088 families. There was sufficient evidence to substantiate or indicate that abuse had occured in 55.2% of reported cases; neglect had occurred in 52.3% of reported cases. Thus, the figures tell us, Hoosiers abused (sexually or physically) 12,764 of their children, and neglected 14,111. Physical abuse was most likely to occur at the hands of a relative (including step- and foster parents, 87.8%); sexual abuse was also most often perpetrated by a relative (52.8%). The statistics for 1990 follow similar dramatic increases between FY 1988 and FY 1989. While some of the numerical increases in substantiated and indicated abuse rates are undoubtedly related to better reporting and diagnostic procedures, the

sharp increases in deaths suggest that reporting is only part of the picture, leading to the inescapable conclusion that in Indiana, as elsewhere in the nation, abuse and neglect of children is increasing.[29] We have no Indiana data linking abuse and neglect to poverty in the families where it occurred; however, a national survey completed in 1986 found a connection:

> [T]he estimated incidence of maltreatment of all types was about seven times as great among children living in families with annual incomes below $15,000 as among those from higher-income families. Rates of abuse were almost five times as high among low-income children as among others, and rates of neglect were nine times as high.[30]

Immunizations. Children who are immunized are less likely to contract or spread communicable diseases. As a result, the immunization of children also protects older populations born prior to the availability of current vaccines. Thus, Indiana requires complete immunization sequences for all children entering school. The immunization rate for youngsters entering kindergarten in the 1988-89 school year was an impressive 98%. This represents a major improvement over the 80% rate in 1980-81.

The *Year 2000 Objectives for the Nation* set by the U.S. Surgeon General seek to eliminate indigenous cases of such vaccine-preventable diseases as diphtheria, tetanus, measles, polio (wild-type virus), and rubella, and also to reduce the nation-wide incidence of mumps to no more than 500 cases and pertussis to no more than 1,000 cases annually. For its part in the national effort, the Indiana State Board of Health has proposed a 90% immunization rate in two-year olds, including immunization with haemophilus influenza B (Hib) vaccine, by 1996.

The latest estimates of immunization levels in Hoosier pre-schoolers were determined through a retrospective study of children entering kindergarten. This survey estimated immunization rates as follows: Diphtheria-tetanus-pertussis among children aged 4+, 51%; among children aged 3+, oral polio, 80%, measles, 75%, rubella, 74%, mumps, 74%. However, only 47% of all children had received "complete" vaccinations appropriate for their ages. The survey did not report the

proportions of children who had received haemophilus influenza type B (Hib) and hepatitis B vaccinations.[31]

Exposure to Lead. The Children's Defense Fund reports that nationally, one child in six is at risk of lead poisoning. Elevated blood lead levels are associated with serious damage to the central nervous system, including developmental delays, growth deficits, and poor motor coordination. Poor children in urban areas face the greatest risk for elevated levels of lead in the blood. Such children often play in congested areas where they are exposed to high concentrations of lead in the air they breathe and the dirt in which they play. They are also more likely to live in older dwellings where they are likely to ingest water from lead pipes and breathe dust containing lead-based paint.[32]

In 1989, 20,589 Indiana children ages one to six were screened for lead poisoning. Fourteen percent of the children were referred for follow-up testing and diagnostic evaluation.

How Do Indiana's Poor Fare?

The 1980s saw the development of a number of state-by-state comparisons of indicators of well-being for Americans. The following information is from three such "Report Cards":

Center on Budget and Policy Priorities (CBPP). The Center concluded that there was no single "safety net" for the nation's poor and needy citizens. Rather, there existed a patchwork of state standards that differed widely. The Center focused on each state's and the District of Columbia's configuration of benefit programs and income-related policies, rather than on service-providing programs.

The Center established 10 criteria to help answer the question: *Do Safety Nets Meet Reasonable Standards?* Their data covering the benefit programs and tax policies that affect the incomes and purchasing power of poor households were gathered between 1985 and 1987, and published in 1988.[33]

Changes in Indiana's status since have been noted. The criteria and Indiana's status are as follows:

1. Maximum AFDC benefits for three-person families equal to or greater than half the poverty line (19 states met standard in 1988).

Indiana does not meet this standard.

In Indiana, the current AFDC standards are $385 for a family of four, $320 for a family of three, and $255 for a family of two (34.5% of the federal poverty level). The last adjustments to Indiana's AFDC benefit levels were made in 1987. Since the federal poverty levels have increased annually, Indiana's standards have represented a declining proportion of the federal poverty level with each passing year. As bad as this situation is, it is made worse by the application of a "ratable reduction" of 10%. Thus for example, while the AFDC standard may grant a family of four $385 per month, the *maximum legal payment* to that family is only $346, or about **31% of the federal poverty level.** Although Indiana, like other states, has increased AFDC benefit levels, if we use constant dollars to compare the value of the maximum payment in 1970 with the maximum payment currently available, there has been a decline of -27.3%.[34] To provide additional perspective on the disadvantages facing "welfare" families, it must be pointed out that the current maximum AFDC payment for a family of four is less than 10% of the median income for all Hoosier families of four.

2. AFDC benefits provided to two-parent families (28 states met standard in 1988).

Indiana does not meet this standard.

In general, AFDC in Indiana is provided to single-parent families. However, a two-parent Hoosier family may qualify for AFDC only if one of the parents is disabled, or if one of the parents has experienced a recent layoff in the labor force. Most two-parent families receiving unemployment benefits do not meet AFDC eligibility criteria (net income no greater than 90% of standard); however, if unemployment benefits are less than the maximum allowed for eligibility, a two-parent family can apply for AFDC to make up the difference.

3. SSI payments supplemented by more than the minimal amount of $15 per month for an individual, which brings total SSI benefits up to 78% of the poverty line for an elderly individual (21 states met standard in 1988).

Indiana does not meet this standard.

4. A state general assistance program not restricted solely to disabled and elderly individuals (8 states met standard in 1988).

Indiana does not meet this standard.

The next three standards are related to Medicaid eligibility and coverage. Federal mandates and guidelines have changed since 1988.

5. Medicaid income eligibility limit for a three-person family equal to or greater than 75% of poverty line (11 states met standard in 1988). At the time of the CBPP study, Indiana did not meet this standard.

6. Adoption of the SOBRA option making all pregnant women and young children in poverty eligible for Medicaid (25 states met standard in 1988). At the time of the CBPP study, Indiana did not meet this standard.

7. Adoption of a Medicaid Medically Needy program for both families with children and for elderly and disabled people (35 states met standard in 1988). At the time of the CBPP study, Indiana did not meet this standard.

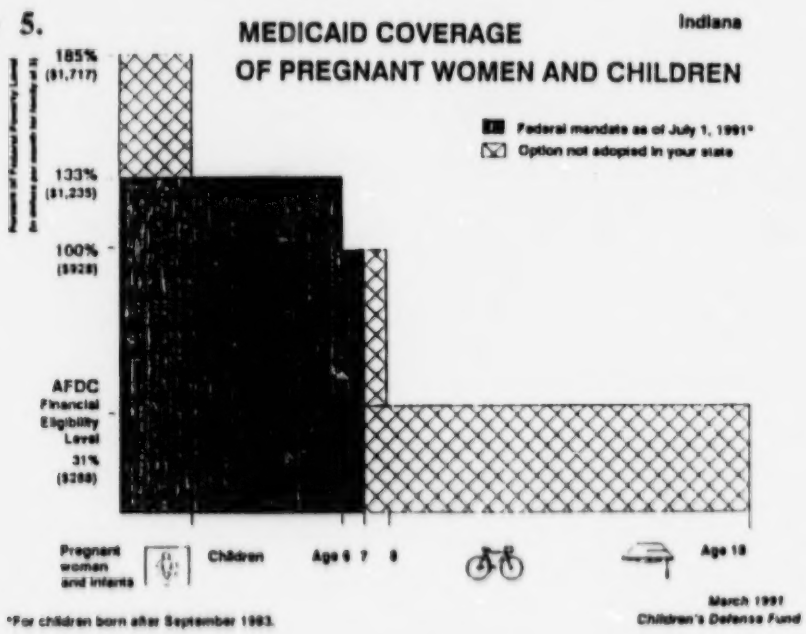
Medicaid, a joint federal-state entitlement program, underwent several recent reforms. Recent changes have created national eligibility standards for pregnant women and young children as well as options for states to expand health benefits. All states are required to provide Medicaid coverage to pregnant women, infants, and children up to their sixth birthday, if they live in families with incomes up to 133% of the poverty level ($1,235 per month for a family of three). Beginning July 1, 1991, states will be required to provide coverage for children born after Sept. 30, 1983, in families with incomes below 100% of poverty ($928 per month for a family of three).

At their option, states may extend eligibility to

- children up to their eighth birthdays, if family income is below 100% of poverty;
- all "financially needy" children up to age 18 if family income is below the state's AFDC financial eligibility level ($288 per month in Indiana for a family of three); and
- pregnant women and infants with family incomes up to 185% of poverty ($1,717 per month for a family of three).

Indiana has adopted only the mandated changes. See Figure 5 for a comparison of options and Indiana's choices.[35]

Figure 5.



8. At least two-fifths of the unemployed receiving unemployment insurance (8 states met standard in 1988).

Indiana does not generally meet this standard. In Indiana, unemployment figures vary within the year and between years. At the present time, the state is experiencing economic recession; the number of unemployed receiving benefits is unusually high, running between 30-40%.

In a more normal year, about one in four unemployed Hoosiers is eligible for benefits.

Eligibility for unemployment compensation in Indiana is calculated through a complex formula of wage credits that must be earned prior to filing. Maximum benefits are awarded on a sliding scale according to the number of dependents a wage-earner has, running from $96 a week for a single individual up to the maximum level of $161 per week for an individual with four or more dependents. If this were the only income for such a household, it would automatically fall below the poverty line. Another feature of Indiana unemployment regulations complicates the issue for unemployed workers with children. In Indiana, unlike the case in many other states, the dependent's allowance must be *earned* as part of the wage-credit system; allowances for dependents are not automatically included in unemployment benefits.

In Indiana, the maximum number of weeks for which an individual is eligible is also variable, up to 26 weeks. According to CBPP, Indiana's weekly unemployment compensation, for those who receive it, averages 16.7% of wages.

9. At least 40% of state revenue collected through income taxes (16 states met standard in 1988). This standard was established on the premise that in most states, individual and corporate income taxes tend to be the one form of state taxation that *is not* regressive.

Indiana does not meet this standard. According to CBPP's 1986 figures, Indiana collects 19.8% of state revenues through individual income taxes and an additional 4.1% through corporate income taxes. However, even if the percentage were higher, Indiana's flat-rate personal income tax makes Indiana's income taxes, unlike those of most states, *regressive.*

10. A property tax circuit-breaker that is not restricted to households with an elderly or disabled person (10 states met standard in 1988).

Indiana does not meet this standard. Indiana does not have a circuit-breaker program. This issue has been discussed above.

In 1988, Indiana was one of four states (the others were Alabama, South Dakota, and Texas) that met *none* of the criteria established by the Center on Budget and Policy Priorities. The study concluded: "The safety net for poor people in Indiana is among the weakest in the nation."

Children's Defense Fund. A 1990 report used 10 measures of children's well-being to examine state (including the District of Columbia) performance over periods of at least 5 years' duration.[36]

1. *Early prenatal care.* Based on current progress, will the state reach the U. S. Surgeon General's goal for 1990 to ensure that 90% of all infants are born to women who began prenatal care in the first three months of pregnancy? (No state made adequate progress.)

In Indiana, the percent of all live births with early prenatal care was:

1978: 77.3% (Rank 19) **1987**: 77.9 (Rank 23) **% change**: .8 (Rank 33)

U.S. Average % change: 1.5% Adequate progress in Indiana? **No**

2. *Infant Mortality.* Based on recent rates of change, will the state achieve the U.S. Surgeon General's 1990 goal of reducing infant mortality to nine or fewer deaths per 1000 live births? (30 states were making adequate progress.)

In Indiana, the infant deaths per thousand live births were:

1978: 13.1 (Rank 22) **1987**: 10.1 (Rank 30) **% Change**: -22.9 (Rank 38)

U.S. Average % change: -26.8; Adequate progress in Indiana? **No**

3. *Low-Birth Weight.* Based on recent rates of change, will the state achieve the U.S. Surgeon General's 1990 goal of reducing the proportion of infants born at low-birth weight to no more than 5% of all births? (5 states were making adequate progress toward this goal.)

In Indiana, the proportion of low-birth weight infants was:

1978: 6.5 (Rank 20) **1987**: 6.5 (Rank 21) **% Change**: 0 (Rank 34)

U.S. Average % Change: -2.8% Adequate progress in Indiana? **No**

4. *Teen Birth Rate.* Has the state achieved a reduction in the number of teens giving birth (per 1,000 females ages 15-19) greater than the national rate of reduction? (34 states were making adequate progress toward this goal.)

In Indiana, the teen (ages 15-19) birth rate was:

1980: 57.5 (Rank 29) **1986**: 50.1 (Rank 28) **% Change**: -12.9 (Rank 15)

U.S. Average % Change: -4.5% Adequate progress in Indiana? **Yes**

5. *Births to Unmarried Women.* Has the state experienced a smaller increase in the percent of births to unmarried women than has the nation as a whole? (22 states were making adequate progress toward this goal.)

In Indiana, the % of births that were to unmarried mothers was:

1980: 15.5 (Rank 23) **1987**: 22 (Rank 26) **% Change**: 41.9 (Rank 31)

U.S. Average % Change: 33.2% Adequate progress in Indiana? **No**

6. *Paternities Established.* Has the state increased the number of paternities established per 1,000 births to unmarried women at a rate greater than the national average? (23 states were making adequate progress toward this goal.)

In Indiana, the rate of paternities established was:

1981: 92.0 (Rank 41) **1987**: 206.8 (Rank 30) **% Change:** 124.8 (Rank 9)

U.S. Average % Change: 14.9% Adequate progress in Indiana? **Yes**

7. *Children in Poverty.* Has the state achieved any reduction of the percentage of children living in poverty? (2 states were making adequate progress toward this goal.)

In Indiana, the % of children under 18 who were poor was:

1979: 11.9 (Rank 12) **1985**: 18.4 (Rank 23) **% Change:** 54.6 (Rank 46)

U.S. Average % Change: 30.6% Adequate progress in Indiana? **No**

8. *Affordability of Housing for the Poor.* In 1989, was the fair market rental (FMR) price for a two-bedroom apartment in the state's metropolitan region with the lowest such re[illegible] 30% or less of the 1989 federal poverty line income for a family of four, as recommended by the federal government? (1 state was making adequate progress toward this goal.)

In Indiana, the Two-Bedroom FMR Price as a % of poverty for a family of four was:

1979: 32.5 (Rank 16) **1989**: 34.2 (Rank 11) **% Change:** 5.2 (Rank 17)

U.S. Average % Change: N.A. Adequate progress in Indiana? **No**

9. *High School Graduation.* Has the state increased its graduation rate (the percentage of ninth graders finishing high school four years later) by an amount greater than the national average? (29 states were making adequate progress toward this goal.)

In Indiana, the % of 9th-graders graduating 4 years later was:

1982: 71.7 (Rank 27) **1987**: 73.7 (Rank 26) **% Change:** 2.8 (Rank 22)

U.S. Average % Change: 2.3% Adequate progress in Indiana? **Yes**

10. *Youth Unemployment.* Has the state reduced the percentage of unemployed youths, ages 16-19, by more than the national rate of reduction?

In Indiana, the % of youths ages 16-19 who were unemployed was:

1982: 24.8 (Rank 35) **1988**: 12.0 (Rank 15) **% Change**: -51.6 (Rank 11)

U.S. Average % Change: -34.1% Adequate progress in Indiana? **Yes**

The Children's Defense Fund also identified 10 indicators of the adequacy of a state's investment in the well-being of children and adolescents. They were as follows:

1. *Medicaid Coverage of Babies and Pregnant Women.* By the end of 1989, did the state provide Medicaid coverage to all pregnant women and infants (up to age one) with incomes below 185% of the federal poverty level?

Indiana: No Eligibility level was 100% of poverty level.

2. *Medicaid Coverage of Poor Children.* By October of 1989 did the state provide Medicaid coverage to all children younger than six who lived in families with incomes below 100% of the federal poverty level?

Indiana: No Maximum age was three.

3. *Nutritional Assistance for Mothers and Children.* Does the state supplement federal WIC funds to provide food *and* nutrition services to additional women and children?

Indiana: No Based on numbers of eligible women and children in 1984, Indiana provided services to 56.4% of those eligible (below the national average of 59.6%).

4. *Support for Early Childhood Education.* Does the state provide state revenues either to supplement federal Head Start funds or for its own state preschool education program?

Indiana: No In 1988, Indiana enrolled 13.7% of eligible poor children in Head Start programs (below the national average of 15.5%).

5. *Child Care Quality: Staff Ratio.* As of 1989, did the state limit the maximum number of infants (at age 9 months) per staff person in licensed child care centers to no more than four infants for every child care worker, as recommended by the National Association for the Education of Young Children?

Indiana: Yes

6. *State Child Support Collection Efforts.* In 1988, did the state collect child support amounts due from obligated parents at a rate equal to or above the national average?

Indiana: Information not available

7. *Change in AFDC Benefits Compared with Inflation.* Between 1970 and 1989, did the state increase the maximum AFDC payment for a family of three at a rate that kept pace with inflation?

Indiana: No In 1970, Indiana's maximum AFDC benefit for a family of three was $120, or 47% of poverty level; in spite of increases, the maximum benefit did not keep pace with inflation, as reflected in the annual increases in the poverty level. (In 1991, the maximum benefit as a % of federal poverty level has fallen to 33%.)

8. *Adequacy of AFDC Benefits in Relation to Housing Costs.* Does the state's AFDC maximum benefit level for a family of three allow them to rent housing for no more than 30% of the family's monthly income, as recommended by the federal government?

Indiana: No The HUD Fair Market Rent (FMR) for a 2-bedroom apartment in October 1989 was 123% of the maximum AFDC benefit for a family of three. The FMR used, was in the lowest-cost metropolitan market for the state.

9. *Students-Per-Teacher Ratio.* Does the state's public school students-per-teacher ratio (in 1988) fall at or below 15:1, as recommended by professional education organizations?

Indiana: No In spite of a decline of 10.5% in the students-per-teacher ratio between 1982 and 1988, Indiana did not reach the goal. Its ratio was 17.9:1 (Rank 32).

10. *State Youth Employment Initiatives.* Does the state allocate funds either to find or create jobs for young people not going on to college?

received a perfect score--in fact, the highest score was 65%, achieved by Vermont. Only nine states received scores lower than Indiana.

The Center for the Study of Social Policy. The annual *Kids Count Data Book* provides the third "report card" for the state of Indiana (see page 38). The Center has chosen eight indicators of child well-being, and ranks the fifty states and the District of Columbia on each. They also examine the percent change over time for each of the indicators. In the 1991 rankings based on a composite of all eight indicators, Indiana placed 30th--the same as in 1990. Figure 6 has been reproduced from the 1991 *Kids Count* report.[37] Note that the base years and latest years for which data are available change according to the indicator.

Some disturbing highlights of the *Kids Count* report include:

The child poverty rate in Indiana has increased by 45% during the 1980s (up from 11.9% in 1979 to 17.2% living in families with incomes below the poverty line in the 1985-89 period). Nationally, there has been a 26% increase (up from 16.0% to 20.1%). Although the proportion of poor children in Indiana continues to fall slightly below that of the nation, the more rapid increase suggests that this is likely to change soon.

The out-of-wedlock birthrate for Indiana teens increased by 26% between 1980 and 1988--more than twice the 10% increase experienced by the nation as a whole. This is the more alarming, because so many teen moms and their children are condemned to life-long poverty.

The % of low birth weight babies increased by 5% between 1980 and 1988, again more than the national rate of increase, 1%.

There was a slight improvement in reducing infant mortality (8%) and the child death rates (10%) between 1980 and 1988. However, these improvements in rates fell far below the national averages of 21% and 16% respectively. Again, poverty is a contributing factor to these statistics.

The violent death rate (from murder, suicide and accidents) increased 12% nationally between 1984 and 1988. The rate of increase in Indiana during this same period was more than double: 27%.

These statistics, coupled with the alarming increases in the child abuse and neglect rates between FY 1989 and FY 1990 (deaths up 68%, reported abuse and neglect up 27%, and substantiated and indicated cases of abuse and neglect up 33%) suggest that Hoosier children are not merely "at risk," but in peril.

The only good news is that Indiana's improvement (6%) in the proportion of students graduating from high school was three times the improvement (2%) for the nation as a whole.

IN

States in National Composite Rank Order

VT UT MA MN NH CT RI IA ND WI MI ME PA NE KS NJ CO ID MT WA WY VA OH SD OR WV OK MO NV CA **IN** NY MD KY TX DE MI AR IL AK NC AL TN AZ FL NM MS SC LA GA DC

Indiana

National Composite Rank

30 **31**

Per Capita Income Rank

31 **31**

State Facts

Education expenditures per pupil	$3,794
Percent births with early prenatal care	78.2%
Percent of children not covered by health insurance	12.1%
Benefits as percent of poverty (AFDC and Food Stamps)	62.1%

Total population	5,556,100
Percent population under 18	26.5%
Percent population minority	10.1%
Percent population metropolitan	68.1%
Per Capita Income	$15,779

Percent change over time

Trend data

National rank

Indicators		(-) WORSE 0 BETTER (+)	BASE Year	BASE Data	MOST RECENT Year	MOST RECENT Data	National rank
Percent low birth weight babies	1980 | 1988	-5	1980	6.3	1988	6.6	23 **31**
Infant mortality rate (per 1,000 live births)	1980 | 1988	8	1980	11.9	1988	11.0	19 **31**
Child death rate Ages 1-14 (per 100,000 children)	1980 | 1988	10	1980	57.9	1988	51.2	31 **31**
Teen violent death rate Ages 15-19 (per 100,000 teens)	1981 | 1988	-27	1981	55.7	1988	71.0	20 **31**
Percent teen out of wedlock births	1980 | 1988	-26	1980	7.0	1988	8.8	31 **31**
Juvenile incarceration rate (per 100,000 juveniles)	1979 | 1987	-25	1979	125	1987	156	33 **31**
Percent of children in poverty	1979 | 1985-89	-45	1979	11.9	1985-89	17.2	22 **31**
Percent graduating high school	1982 | 1988	6	1982	71.7	1988	76.3	19 **31**

1991 kids count **IN** Source: The Center for the Study of Social Policy, Washington D.C.

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References and Notes

1.This estimate, for the period 1979-89, based on the 1980 Census and the Population Reference Bureau analysis of the 1985-1990 Current Population Survey data tapes of the U.S. Census Bureau, was reported in: *1991 Kids Count Data Book: State Profiles of Child Well-Being*. Washington, DC: The Center for the Study of Social Policy, 1991, pp. 9, 26. Estimates of the extent and rate of growth of poverty will be improved when the income data for 1989 gathered during the 1980 U.S. Census are released.

2.Robinson, S. *Putting the Pieces Together: Survey of State Systems for Children and Families*. National Conference of State Legislatures. Cited in: Indiana Legislative Services Agency. *Evaluation Audit: Children With Special Needs*. Indianapolis, IN: ILSA, June 1990, p. 5.

3.Indiana LSA, *Children with Special Needs*, p. 75.

4.All U.S. poverty figures cited in this section were drawn from: U.S. Bureau of the Census, Current Population Reports, Series P-60, No. 168, *Money Income and Poverty Status in the United States: 1989 (Advance Data from the March 1990 Current Population Survey)* Washington, DC: U.S. Government Printing Office, 1990.

5.Indiana University School of Business, Indiana Business Research Center, *Indiana Factbook 1989*. Bloomington, IN: Indiana University, 1989, p. 9.

6.Community Service Council of Central Indiana. *Policy Plan Update: Low Income Services. Executive Summary*. Indianapolis, IN: Community Service Council of Central Indiana, 1990.

7.*Indiana Labor Force Annual Summary 1990*, Indianapolis, IN: Labor Market Information Services, Department of Employment & Training Services, 1991; *Senior Citizens, The Disabled, and Children in Indiana: Families in Poverty*, Indianapolis, IN: Evaluation Audit, Indiana Legislative Services Agency, 1990, p. 14.

8.*Kids Count Data Book*, pp. 9, 26.

9.1988-89 dropout data supplied by the Indiana Department of Education.

10.Bureau of the Census, *Money Income and Poverty Status...1989*, p.79.

11.1973-1986 comparisons from: "The Value of an Education," *New York Times*, November 8, 1989; 1989 comparison from U.S. Bureau of the Census, *Money Income and Poverty Status...1989*, p. 41.

12.Tax information was drawn from Shapiro, I., and Greenspan, R. *Holes in the Safety Nets; Poverty Programs and Policies in the States: National Overview* and *Holes in the Safety Nets; Poverty Programs and Policies in the States: Indiana*. Washington, DC: Center on Budget and Policy Priorities, 1988. The information presented has been confirmed by the Indiana Department of Revenue.

13.McIntyre, R. S., Kelly, D. P., Ettlinger, M. P., and Fray, E. A. *A Far Cry From Fair: CTJ's Guide to State Tax Reform*. n.p. Citizens for Tax Justice, 1991.

14.Indiana collects statistics on divorce filings only. These are lumped into a domestic relations category along with cases supervised by Indiana courts for other states and reported to Court Services for the purpose of assessing county court case loads. The numbers generated in this way, when used as an indicator of Indiana divorce rates, are much inflated.

15.These data have been drawn from three reports of the Children's Defense Fund: *The State of America's Children, 1991* (1991); *A Children's Defense Fund Budget, FY 1986* (1985) and *A Children's Defense Fund Budget, FY 1988* (1988) and from S. Bankole, "Impact of Divorce on Women, Children Studied," *Minnesota Daily*, October 17, 1986, p. 5; and, S. Hoffman and J. Holmes, "Husbands, Wives and Divorce," in G. J. Duncan & J. N. Morgan (Eds.) *Five Thousand Families: Patterns of Economic Progress, IV*. Ann Arbor: Institute for Social Research, University of Michigan, 1976.

16."Facts at a Glance 1989," Washington, DC: Child Trends, Inc., 1989.

17.CCHIP estimates that 10.4% of Indiana families with children under 12 are hungry; an additional 13.3% of families are at risk of hunger. Indiana has 1,014,814 children under the age of 12. New Hampshire was estimated to have the lowest (5.8%) and Mississippi the highest (18.9%) percentages of hungry children. When children at risk of hunger were included, the figures were 12.6% for New Hampshire and 38.7% for Mississippi. "CCHIP found differential hunger rates among female-headed households and non-female-headed households, and among three levels of poverty (households up to 75% of the federal poverty level, households between 75% and 125% of poverty, and households between 125% and 185% of poverty)." The CCHIP rates were applied to the best available data on the number of families and children in each of these six categories in each state. Once a cumulative state hunger rate was determined, the number of families and children affected was calculated. "Methodology for Calculation of State-by-State Hunger and At-Risk Estimates." Washington, DC: Food Research and Action Center, March 1991.

Plans are currently underway to repeat the actual study among a sample of low-income Hoosier families.

18.*Community Childhood Hunger Identification Project: A Survey of Childhood Hunger in the United States; Executive Summary.* Washington, DC: Food Research and Action Center, 1991, p.6-7.

19.*CCHIP*, pp. 11-12.

20.Indiana data were supplied by the Indiana Department of Education.

21.*Creating a System that Works for Everyone: Fiscal Year 1990 Annual Report.* Indianapolis: Indiana Department of Public Welfare, 1990, pp. 43-73.

22.*The State of America's Children 1991.* Washington, DC: Children's Defense Fund, 1991, p. 68; "Pay Now or Pay Later," *NEA Today*, vol. 9, December 1990, p. 18.

23.*The State of America's Children 1991.* Washington, DC: Children's Defense Fund, 1990, pp. 6, 68; Shapiro, I. and Greenstein, R. *Holes in the Safety Nets; Poverty Programs and Policies in the States: Indiana.* Washington, DC: Center on Budget and Policy Priorities, 1988, pp. 17-18; Telephone communication, Indiana State Board of Health, 5 April, 1991.

24.Indiana LSA, *...Families in Poverty*, p. 66.

25.Of course, not all these households are actively seeking housing. A number of poor Indiana households consist of retirees who have acquired their own homes. However, Indiana does not provide property tax relief to poor homeowners, so they continue to pay property taxes at the same rates as the more affluent.

26.National data from *The State of America's Children 1991*. Data on subsidized housing and fair market rents in Indiana supplied by Indiana Department of Human Services.

27.National homeless data are summarized in: Stephens, D., Dennis, E., Toomer, M., and Holloway, J. "The Diversity of Case Management Needs for the Care of Homeless Persons," *Public Health Reports* 106.1 (January-February 1991), 15-19, and *To Whom do They Belong? Runaway, Homeless and Other Youth in High-Risk Situations in the 1990s*, Washington, DC: National Network of Runaway and Youth Services, 1991. Indiana data are drawn from *State of Indiana's Health*, 4th ed. Indianapolis, IN: Indiana State Board of Health, Public Health Research Division, 1989.

28.Indiana State Board of Health. *Indiana Vital Statistics, 1986.* Indianapolis, IN: Division of Public Health Statistics, Indiana State Board of Health, 1989.

29.Indiana DPW, *Creating a System that Works...*, pp 141-173.

30.National Center for Children in Poverty, *Five Million Children...*, p. 59.

31.Indiana State Board of Health, *State Health Plan.* Indianapolis, IN: ISBH, draft copy, 1991, pp 98-100.

32.CDF, *The State of America's Children*, p. 66.

33.Information from Center drawn from Shapiro and Greenstein, *..National Overview*, and *..Indiana.* Current Indiana data supplied by the Indiana Department of Public Welfare, the Indiana State Board of Health, and Indiana Department of Revenue.

34.n.a. "Real AFDC Benefits Down Sharply," *Youth Law News*, March-April 1990, p. 16.

35.From "Questions and Answers on Medicaid Coverage for Pregnant Women and Children: Indiana," distributed at the Children's Defense Fund annual conference, Washington, DC, March 1991.

36.Information is drawn from *Children 1990: A Report Card, Briefing Book, and Action Primer.* Washington, DC: Children's Defense Fund, 1990.

37.The Center for the Study of Social Policy. *1991 Kids Count Data Book*, Washington, D.C., The Center for the Study of Social Policy, 1991. Information from the full report is available from the Resource Center of the Indiana Youth Institute.

INDIANA YOUTH INSTITUTE

10 Blueprints for Healthy Development

The Indiana Youth Institute's blueprint for healthy development of all Indiana's children is based on the premise that every child in Indiana -- regardless of race, gender, ethnicity, handicapping condition, geographical location or economic status -- deserves an equal opportunity to grow up in a safe, healthy, and nurturing environment.

BUILDING A HEALTHY BODY

Indiana's youth will be born at full term and normal birth weight to healthy mothers. They will receive a well-balanced diet in adequate supply to grow strong bodies to acceptable height for their age. They will be provided a balance of physical activity and rest in a safe and caring environment. They and their families will have access to good medical care and educational opportunities that teach them how to abstain from health-endangering activities and engage in health-enhancing activities.

BUILDING POSITIVE RELATIONSHIPS

Indiana's children will experience love and care of parents and other significant adults. They will develop wholesome relationships while learning to work collaboratively with peers and adults.

BUILDING SELF ACCEPTANCE

Indiana's children and youth will perceive themselves as lovable, and capable; they will act with self-confidence, self-reliance, self-direction, and control. They will take pride in their accomplishments. As they develop self-esteem, they will have positive feelings about their own uniqueness as well as that of others.

BUILDING ACTIVE MINDS

Indiana's young people will have stimulating and nurturing environments that build on their individual experiences and expand their knowledge. Each young person will reach his or her own potential, gaining literacy and numeric skills that empower the lifelong process of asking questions, collecting and analyzing information, and formulating valid conclusions.

BUILDING SPIRIT AND CHARACTER

Indiana's young people will grow up learning to articulate and inculcate values upon which to make ethical decisions and promote the common good. Within safe boundaries, children and youth will test limits and understand relationships between actions and consequences.

BUILDING CREATIVITY AND JOY

Indiana's young people will have diverse opportunities to develop their talents in creative expression (e.g., music, dance, literature, visual arts, theater); to appreciate the creative talents of others; and to participate in recreational activities that inspire constructive, lifelong satisfaction.

BUILDING A CARING COMMUNITY

Indiana's communities will encourage their young people to see themselves as valued participants in community life. In addition to being recipients of services that express the communities' concerns for their safety and well-being, young citizens will become resources who will improve their surroundings, support the well-being of others, and participate in decisions that affect community life.

BUILDING A GLOBAL PERSPECTIVE

Indiana's children and youth will learn to see themselves as part of the global community, beyond ethnic, religious, state, and national boundaries. In formal and informal educational experiences, they will have opportunities to become familiar with the history, political issues, languages, cultures, and ecosystems that affect global life and future well-being.

BUILDING ECONOMIC INDEPENDENCE

Indiana's young people will be exposed to a variety of educational and employment experiences that will contribute to vocational and career options. Their formal and informal educational experiences will prepare them to make the transition from school to work, to contribute to the labor force, and to participate in an economic environment that will grow increasingly more complex and will require lifelong learning.

BUILDING A HUMANE ENVIRONMENT

All children will have access to a physically safe environment, free from abuse, neglect, exploitation, and other forms of violence. They will have adequate housing and living conditions; safe neighborhoods; clean air, food, and water. Their environment will be free from toxins, drugs, alcohol, and tobacco. All children will have an opportunity to learn how to protect their environment for the future.

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